



February 18, 2005

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## HOUSE BILL No. 1574

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DIGEST OF HB 1574 (Updated February 17, 2005 1:18 pm - DI 92)

**Citations Affected:** IC 5-10.2; noncode.

**Synopsis:** PERF minimum benefit, COLA, and thirteenth check. Extends the minimum monthly pension benefit of \$180 for certain retired members of the public employees' retirement fund (PERF) to members who retired before December 1, 2004 (instead of December 1, 2003). Provides certain retired members of PERF a supplemental "thirteenth check" in 2005 and a cost of living adjustment (COLA) in 2006.

**Effective:** July 1, 2005.

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**McClain, Cherry, Woodruff,  
Cochran**

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January 18, 2005, read first time and referred to Committee on Ways and Means.  
February 17, 2005, amended, reported — Do Pass.

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HB 1574—LS 7074/DI 44+



February 18, 2005

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## HOUSE BILL No. 1574

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 5-10.2-5-34 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 34. (a) This section  
3 does not apply to a member of the public employees' retirement fund  
4 (or to a survivor or beneficiary of a member of the public employees'  
5 retirement fund) whose creditable service was earned only as an elected  
6 official.  
7 (b) In addition to any other cost of living increase provided under  
8 this chapter, the pension portion (plus postretirement increases to the  
9 pension portion) provided by employer contributions of the monthly  
10 benefit payable after December 31, ~~2003~~, **2005**, to a member of the  
11 public employees' retirement fund (or to a survivor or beneficiary of a  
12 member of the public employees' retirement fund) who was a retired  
13 member of the fund with at least ten (10) years of creditable service  
14 and was entitled to receive a monthly benefit on December 1, ~~2003~~,  
15 **2004**, may not be less than one hundred eighty dollars (\$180).  
16 (c) The increases specified in this section:  
17 (1) are based upon the date of the member's latest retirement or

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disability;

(2) do not apply to benefits payable in a lump sum; and

(3) are in addition to any other increase provided by law.

SECTION 2. IC 5-10.2-5-38 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 38. (a) The pension portion (plus postretirement increases to the pension portion) provided by employer contributions of the monthly benefit payable after December 31, 2005, to a member of the public employees' retirement fund (or to a survivor or beneficiary of a member) who retired or was disabled:**

(1) before July 2, 1990, shall be increased by two percent (2%); and

(2) after July 1, 1990, and before January 1, 2005, shall be increased by one and one-half percent (1.5%).

(b) The monthly amount of the increase described in subsection (a) payable to a member of the public employees' retirement fund (or to a survivor or beneficiary of a member) may not be less than five dollars (\$5).

(c) The increases specified in this section:

(1) are based on the date of the member's latest retirement or disability;

(2) do not apply to benefits payable in a lump sum; and

(3) are in addition to any other increase provided by law.

SECTION 3. [EFFECTIVE JULY 1, 2005] (a) As used in this SECTION, "fund" refers to the public employees' retirement fund, with respect to members (and survivors and beneficiaries of members) of that fund.

(b) The amount determined in this SECTION shall be paid from the fund on or before December 1, 2005, to any person who was a retired member (or to a survivor or beneficiary of a retired member) of the fund before January 1, 2005, and who was entitled to receive a monthly benefit on November 1, 2005. The amount shall be paid in a single check. The amount is not an increase in the pension portion of the monthly benefit.

(c) The amount determined under the following formula shall be paid from the fund to a retired member (or to a survivor or beneficiary of a retired member) of the fund who meets the requirements of subsection (b):

**STEP ONE:** Multiply by twelve (12) the pension portion (plus postretirement increases to the pension portion) of the monthly benefit that was payable to the retired

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member (or to a survivor or beneficiary of the retired member) of the fund and provided by employer contributions during the month before the payment is made under this SECTION.

STEP TWO: Multiply the amount determined in STEP ONE by the applicable percentage from the following table:

Calendar Year of Last Retirement of Member	Applicable Percentage
Before 1990	2%
1990 through 2004	1%

STEP THREE: The amount of the payment is equal to the amount of the STEP TWO product, except that the amount of the payment may not exceed three hundred dollars (\$300) and must be at least one hundred dollars (\$100).

(d) This SECTION expires July 1, 2006.

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1574, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 10, after "disabled" insert ":".

Page 2, delete lines 11 through 12, begin a new line block indented and insert:

**"(1) before July 2, 1990, shall be increased by two percent (2%); and  
(2) after July 1, 1990, and before January 1, 2005, shall be increased by one and one-half percent (1.5%)."**

and when so amended that said bill do pass.

(Reference is to HB 1574 as introduced.)

AYRES, Vice Chair

Committee Vote: yeas 17, nays 0.

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